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March 9, 2001

Mary L. Cottrell, Secretary
Department of Telecommunications & Energy
One South Station, 2nd Floor
Boston, Massachusetts 02110

Re: Cambridge Electric Light Company/ Commonwealth Electric Company
D.T.E. 01-22

Dear Madam Secretary:

Cambridge Electric Light Company and Commonwealth Electric Company (the "Companies") are pleased to supply their responses to the information requests listed on the attached sheet.

Sincerely,

A handwritten signature in blue ink that reads "John Cope-Flanagan". The signature is fluid and cursive, with the first name "John" being particularly prominent.

John Cope-Flanagan

Attachments

cc: William Stevens, Hearing Officer
Robert Harrold, Electric Power Division
Glenn Shippee, Rates and Revenue Requirements Division
Jeff Hall, Rates and Revenue Requirements Division
Joseph Rogers, Assistant Attorney General
Robert N. Werlin, Esq.

Responses to Information Requests

DTE-1-1

DTE-1-2

DTE-1-3

DTE-1-4

March 9, 2001

Information Request DTE-1-1

Refer to the Initial Filing at I and the Amended Agreement (Att. 1). Please provide the exact language change to the definition of decommissioning expense that was included in the Amended Agreement.

Response

The Amended Agreement (*i.e.*, the Second Restated Sixth Amendment) filed with the Department by Cambridge Electric Light Company ("Cambridge") and Commonwealth Electric Company ("Commonwealth") on December 15, 2000 revises the previously filed Restated Sixth Amendment in the following two respects: (1) it restates the buy-down payment amount to \$141,600,000 and (2) reinstates the definition of decommissioning expense that was contained in the Seabrook Power Contract prior to the Sixth Amendment. The definition in the Seabrook Power Contract includes a specific schedule of decommissioning expenses for each year for the life of the unit. Both the Sixth Amendment and the Restated Sixth Amendment revised that definition of decommissioning expense by deleting the specific schedule and inserting the following language in its place:

"The Seabrook Unit decommissioning expenses are related to the dismantlement, entombment, removal, clean-up or decommissioning of the Seabrook Unit. Monthly decommissioning expenses shall consist on one-twelfth of the annual amounts established for Canal (3.52317% of the total amount for the Seabrook Unit) by the Nuclear Regulatory Commission, the Federal Energy Regulatory Commission ("FERC"), the New Hampshire Nuclear Decommissioning Committee, or other regulatory agency with authority to establish such decommissioning expenses. Decommissioning expenses will be included and recorded in FERC Account Number 403."

Subsequent to the filing of the Sixth Amendment and the Restated Sixth Amendment, Canal Electric Company ("Canal") (the other party to the Seabrook Power Contract) determined that the flexible definition of decommissioning expense contained in these amendments would not comply with the requirements of the Federal Energy Regulatory Commission ("FERC"), which has jurisdiction over the Seabrook Power Contract as a wholesale power sales contract. In particular, FERC requires that any change in decommissioning expense must be reflected in a specific schedule of expenses. Therefore, the parties have taken steps to reinstate the original definition and schedule of decommissioning expenses in the Seabrook Power Contract.

As a further step, on January 31, 2001, Canal filed with FERC a Seventh Amendment to the Seabrook Power Contract in order, among other things, to change the level of

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decommissioning expenses under the Seabrook Power Contract to reflect changes ordered by the New Hampshire Nuclear Decommissioning Financing Committee, which is the state regulatory agency authorized to set the level of decommissioning expenses for the Seabrook unit (docket ER01-1134-000). An informational copy of Canal's FERC filing was served on the Department. Once FERC has ruled on Canal's filing, Cambridge and Commonwealth will file the Seventh Amendment with the Department for approval.

Information Request DTE-1-2

Refer to the Initial Filing at 1. Please explain the changes in decommissioning expenses anticipated by the Federal Energy Regulatory Commission and their likely effects on this or future amendments.

Response

As stated in response to Information Request DTE-1-1, on January 31, 2001, Canal Electric Company ("Canal") filed with the Federal Energy Regulatory Commission ("FERC") a Seventh Amendment to the Seabrook Power Contract in order, among other things, to change the level of decommissioning expenses under the Seabrook Power Contract to reflect changes ordered by the New Hampshire Nuclear Decommissioning Financing Committee, which is the state regulatory agency authorized to set the level of decommissioning expenses for the Seabrook unit (docket ER01-1134-000). An informational copy of Canal's FERC filing was served on the Department. The changes in decommissioning expenses contained in the Seventh Amendment will not affect the Second Restated Sixth Amendment as filed by Cambridge and Commonwealth with the Department in this docket. Once FERC has ruled on Canal's filing, Cambridge and Commonwealth will file the Seventh Amendment with the Department for approval.

Information Request DTE-1-3

Refer to the Initial Filing at 3. Please provide a schedule of the monthly disbursements from the EIS fund during calendar year 2000.

Response

Please see Attachment DTE-1-3.

Energy Investment Services, Inc. (EIS)				
Cash Flow Statement				
For the Year 2000				
Line #	Description		Amounts	
1	Fund Balance @ 12/31/1999			\$144,315,703
2				
3	<u>Year 2000 Receipts: Investment Earnings</u>			
4	December 1999 Adjustment	\$ 57,304		
5	January 2000	824,334		
6	February 2000	164,600		
7	March 2000	1,193,512		
8	April 2000	373,624		
9	May 2000	1,064,964		
10	June 2000	799,589		
11	August 2000	1,991,022		
12	September 2000	(224,123)		
13	October 2000	900,694		
14	November 2000	752,605		
15	December 2000	281,152		
16	Subtotal		\$ 8,179,277	
17				
18	Total Receipts			\$8,179,277
19				
20	<u>Year 2000 Disbursements: Residual Value Credit payments</u>			
21	January 2000	\$ 3,007,967		
22	March 2000	1,958,880		
23	May 2000	1,974,306		
24	June 2000	681,366		
25	August 2000	3,505,739		
26	November 2000	2,310,876		
27	Subtotal		\$ 13,439,134	
28				
29	<u>Year 2000 Disbursements: Buydown of Power Contracts</u>			
30	Canal Electric - Seabrook	\$ 120,463,000		
31	Subtotal		\$ 120,463,000	
32				
33	Total Disbursements			\$ 133,902,134
34				
35	Fund Balance @ 12/31/2000			\$18,592,846 *
	(Line 1 + Line 18 - Line 33)			
	* Balance is subject to income tax reserve and final reconciliation.			
NOTES:				
Line 1	Sum of Balance on Report on EIS Compliance Letter dated 2/4/2000 + 10/1999 interest adjustment.			
Line 4	Reversal of adjustment included in balance from Report on EIS Compliance Letter dated 2/4/2000, line 23.			
Lines 5 to 15	Monthly Interest Earned in the month prior to receipt.			
Line 30	Payment made on 11/8/2000. The \$21,137,000 difference between this disbursement and the actual buydown amount was paid by Cambridge Electric Light Company out of its Kendall proceeds.			

Information Request DTE-1-4

Refer to the Amended Agreement (Att. 1, at 2). Please provide complete and detailed documentation to account for the \$55,543,000 reduction for Accumulated Deferred Income Taxes.

Response

The \$55,543,000 reduction for Accumulated Deferred Income Taxes is calculated by multiplying the buy-down amount of \$141,600,000 by an estimated tax rate of 39.225 percent. This calculation is consistent with the calculation of the reduction for Accumulated Deferred Income Taxes contained in the Companies' filing in docket D.T.E. 99-89.